



Kenneth A. Gibson

MAYOR

NEWARK, NEW JERSEY

07102



OCT 10 1981

October 9, 1981

Hon. John P. Caufield
Senator
1086 South Orange Avenue
Newark, New Jersey 07106

Dear Senator Caufield:

In accord with our conversation, I am enclosing copies of correspondence relating to Newark's immediate legislative priorities for the remainder of the 1981 Senate session.

The issues of concern (not necessarily in order of importance) are:

1. Insurance Fund Commission revision
2. High Park Gardens abatement revision
3. Local Tax Authorization permanent renewal
4. Surcharge on municipal construction permits

Please let me know if you have any questions concerning this.

Most cordially,

Barbara Sacks
Legislative Aide to the Mayor

cc: Senator Lipman



KENNETH A. GIBSON

MAYOR

NEWARK, NEW JERSEY

07102

June 9, 1981

Hon. John P. Caufield
Senator
1086 South Orange Avenue
Newark, New Jersey 07106

Dear Senator Caufield:

Pursuant to my letters of March 19 and April 6, 1981 and our conversations concerning the requisite amendments to the insurance fund commission legislation, I am re-submitting to you the language for the bill. Your assistance is greatly appreciated.

The legislation should read as follows:

40A:10-8. Insurance fund commissioners; appointment; term; vacancies; compensation. Upon establishment of an insurance fund, the officer or body of the local unit having the power to make appointments shall appoint three [members of the governing body] officials of the local unit as insurance funds commissioners [.] and appoint a person to serve as secretary to the insurance fund commission. The commissioners shall hold office for 2 years or for the remainder of their term of office as [members of the governing body] officials, whichever shall be less, and until their successors shall have been duly appointed and qualified. The commissioners shall serve without compensation. The salary of the secretary shall be set by ordinance as authorized by the governing body.

Vacancies in the office of insurance fund commissioners and secretary caused by any reason other than expiration of term as [a member of the local unit governing body] an official shall be filled for the unexpired term.

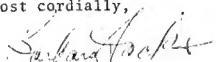
Hon. John P. Caufield
June 9, 1981
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40A:10-9 Orgainzation of commissioners. The commissioners shall, forthwith after their appointment, organize for the ensuing year by election from their membership of a chairman, [and a secretary,] who shall serve for the year.

40A:10-10.

h. The secretary to the insurance fund commission shall be entrusted with the daily operation of the insurance fund and shall submit a report to the commissioners at least once a month.

Most cordially,



Barbara Sacks

Legislative Aide to the Mayor

BS:pa

cc: Mr. Joseph Papasidero



KENNETH A. GIBSON

MAYOR
NEWARK, NEW JERSEY
07102

August 12, 1981

Hon. Joseph P. Merlino
Senator
315 Market Street
Trenton, New Jersey 08611

Dear Senator Merlino:

I wish to elicit your assistance in a matter of importance to Newark.

Fifteen years ago, the High Park Gardens cooperative apartments were developed under a Fox-Lance tax abatement. The abatement will expire this October and the residents (who own shares in the co-op) will not be able to afford to pay full taxes on their homes. Thus, they will be forced to give up their homes and the life-savings they have invested in the co-op.

Although the attached letter explains the situation in more detail, suffice it to say that the co-op never should have had a Fox-Lance abatement in the first place. It should have been developed under Limited-Dividend abatement which is specifically designed for housing projects. Limited-Dividend abatements are permitted up to 50 years.

Senator Lipman will introduce a bill (copy attached) which would remedy the situation by allowing a conversion from Fox-Lance to Limited-Dividend in a situation such as this. However, time is of the essence. The bill must pass both houses and be signed by the Governor before October, which is when the current abatement ends.

I know I do not have to remind you of how important individual ownership of residences is to preserving and revitalizing our urban areas. Passage of this legislation would go a long way toward that goal. Your support in expeditiously moving this legislation would be greatly appreciated.

Hon. Joseph P. Merlino
August 12, 1981
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Thank you for your continued cooperation and support.

Sincerely,

Kenneth A. Gibson

KAG:pa

Encl.

cc: Senator Wynona Lipman

KENNETH A. GIBSON
MAYOR
NEWARK, NEW JERSEY
07102

KENNETH A. GIBSON
MAYOR
NEWARK, NEW JERSEY
07102

August 12, 1981

Hon. Wynona M. Lipman
Senator
50 Park Place, Suite 938
Newark, New Jersey 07102

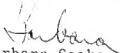
Dear Senator Lipman:

Thank you for the revised draft of the High Park Gardens legislation. I have reviewed it with Assistant Corporation Counsel Leo Schwartz and we believe Mr. Glen Moore's recommendation to be appropriate.

Please introduce the bill as soon as possible so that it will have a good chance of passing prior to the October deadline for High Park Gardens.

Thank you so much for your constant cooperation.

Most cordially,


Barbara Sacks
Aide to the Mayor

BS:pa

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New Jersey State Legislature

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ARTHUR S. APPLEBAUM
Research Director

THOMAS P. BRYAN
Assistant Research Director

August 5, 1981

Honorable Wynona M. Lipman
50 Park Place
Suite 938
Newark, New Jersey 07101

Dear Senator Lipman:

As you requested, I have drafted the enclosed bill for your consideration, which would address the problem of the tax exempt status of the High Park Gardens housing project. As you know, the purpose is to permit a transfer of the housing project from the urban renewal corporation (Fox-Lance) tax exemption (15 years) to the limited-dividend non-profit housing corporation tax exemption (50 years). The bill would permit a continuation of the tax exempt status of High Park Gardens for up to 35 years (50 years minus the 15 years of previous exemption).

In preparing the enclosed draft, I have basically followed the language suggested by Mayor Gibson in his July 14, 1981 letter to you. This I have fleshed out somewhat to conform with the basic style and form in which legislation is prepared for introduction in the New Jersey Legislature. I do not believe these alterations will cause the Mayor any concern, but, if so, I will be happy to make any changes you believe necessary.

I have made one substantive change in the draft which I would call to your attention. The second sentence of the enclosed draft states: "The transfer agreement shall provide for the assumption by the housing corporation or housing association of any outstanding debts or obligations incurred by the urban renewal corporation or association with respect to the housing project, including the payment of principal and interest on any bonds or other obligations outstanding with respect thereto."

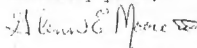
August 5, 1981

No provision to this effect was contained in the Mayor's suggested language. It appeared necessary to add some such provision to the bill because of the basic legislative restriction that the Legislature will not impair the rights of bondholders. Thus, the debts and obligations associated with the housing project should be transferred along with the property and improvements. The exact terms of the transfer of debts and obligations may be left to the transfer agreement, so long as the legislation provides general direction and intent.

The Mayor may have believed it unnecessary to include such a provision. It may be that there are no outstanding debts or obligations respecting any of the three housing projects in Newark which were constructed under Fox-Lance. If that is the case though, there should be no objection from the City to this provision, which may be necessary from a legislative standpoint. In any case, I will follow your direction in this respect, and will delete or retain the provision as you deem appropriate.

I hope that the enclosed legislation meets with your approval and adequately fulfills your request. If you wish introductory copies prepared for the next meeting of the Senate, please let me know. I will, of course, make any changes in the bill you deem necessary.

Sincerely yours,



Glenn E. Moore III
Research Associate

GEM:ewj
Enc.



KENNETH A. GIBSON

MAYOR

NEWARK, NEW JERSEY

07102

W

July 14, 1981

Hon. Wynona M. Lipman
Senator
50 Park Place, Suite 938
Newark, New Jersey 07102

Dear Senator Lipman:

High Park Gardens is a housing development which was built under Fox-Lance tax abatement provisions. This October, the abatement period expires and the co-op owner/residents of High Park Gardens will be forced to come up with a huge sum of money to meet their full tax payments. The owner/residents cannot afford this and will have to give up their homes if forced to meet the taxes. They have invested their life savings to own these co-op units. Non-payment of the taxes will lead to foreclosure and the City of Newark will ultimately become the owner of the property.

Usually, a housing development receives a tax abatement under Limited-Dividend Non-Profit Housing Corporations or Associations Law which allows for a maximum term of abatement of 50 years. The Fox-Lance abatement under which this project was developed has a maximum term of 15 years. Clearly, the project should have pursued Limited-Dividend abatement instead of Fox-Lance abatement in the first place.

We have no objection to extending the tax abatement and allowing High Park Gardens to continue making an annual service charge payment in lieu of full property tax payments. However, the City of Newark does not have the authority to do this. Enabling state legislation would be required.

I respectfully request that you introduce a bill which would amend the Urban Renewal Corporation and Association Law, N.J.S.A. 40:55c-65, Chapter 40, P.L. 1961, s. 17 as follows:

Hon. Wynona M. Lipman
July 14, 1981
Page Two

Any corporation or association sponsoring housing, other than condominium housing, may transfer title to its property and improvements at any time to a non-profit housing corporation established and exercising rights and privileges pursuant to the Limited-Dividend Non-Profit Housing Corporations or Associations Law, P.L. 1949, C 184, as amended P.L. 1967, C 112 (N.J.S.A. 55:16-1 et seq.). Any such corporation which enjoys exemptions from taxation pursuant to N.J.S.A. 40:55C-65 shall be eligible for continuation of its exemption pursuant to N.J.S.A. 55:16-18 upon such terms and conditions as shall be mutually agreeable between the corporation or association and the municipality for a term not to exceed 50 years, less the period of prior exemption, provided that the annual service charge to be paid shall not be less than the annual service charge required to be paid at the time the extension becomes effective.

This would allow the project to correct its abatement status. Only three housing projects in the state have been built under Fox-Lance and all three are in Newark. With this legislation and the permission of the City, they would be allowed to amend their abatement situations.

Since time is of the essence, I would appreciate your efforts to get such a bill passed before October.

Thank you for your continued cooperation.

Sincerely,

Kenneth A. Gibson

KAG:pa



KENNETH A. GIBSON

MAYOR
NEWARK, NEW JERSEY
07102

V

September 14, 1981

Hon. Wynona M. Lipman
Senator
50 Park Place, Suite 938
Newark, New Jersey 07102

Dear Senator Lipman:

The Local Tax Authorization Act of 1970 (copy enclosed) will expire on December 31, 1981 unless extended. It contains the legal wherewithal for Newark's local taxing authority. We respectfully request that you introduce legislation to permanently extend this authorization.

The costly, time-consuming process of annual or periodic renewal could be avoided if the renewal were permanent. Furthermore, the City would have a basis for multi-year projections of revenue if it were assured of the taxing authority.

You may be interested to know the following facts about Newark's use of this legislation:

1 - We have been continually reducing the payroll tax since 1971 from 1½% to ½%. In 1981, we anticipate about \$7,500,000. in payroll taxes, which are totally paid by employers, not employees.

2 - Parking tax receipts for 1981 are anticipated to be \$2,500,000. at the current 15% rate. As you know, parking lots are assessed as nearly vacant land for property tax purposes because they do not have permanent improvements (buildings) on them. Thus, the only equitable way to tax these profitable lots is according to their volume of business.

Hon. Wynona M. Lipman
September 14, 1981
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3 - Use of the Local Tax Authorization Act has been an effective tool in keeping property taxes from skyrocketing.

Please let us know if we can be of assistance in this task.

Thank you for your continued cooperation.

Sincerely,

Kenneth A. Gibson

KAG:pa

Encl.

"State Uniform Construction Code Act." In addition, the amendments authorize the Commissioner of Community Affairs to promulgate additional standards for the construction of museums and standards in the codes of the Uniform Construction Code, or other national model codes, "do not adequately protect the public interest."

A floor amendment inserted language that provided that a rule or regulation promulgated by DCA which is contrary to the provisions of a municipal zoning ordinance will not be enforceable within that municipality.

The Senate State Government Committee has, with the sponsor's approval, added another amendment. This amendment conforms the language of the bill to a recent decision by the New Jersey Superior Court (Homen, Catholic Diocese of Newark v. Cerone, Superior Court, Law Division, Docket No. L-3506-76, 1977). In that decision, the court ruled that, while museum construction may be subject to a municipality's zoning ordinances, such ordinances—such as those pertaining to height and set back requirements—must be "reasonable."

LOCAL TAX AUTHORIZATION ACT OF 1970— EXTENSION

CHAPTER 256

SENATE NO. 3018

An Act to amend the "Local Tax Authorization Act of 1970," approved December 23, 1970 (P.L.1970, c. 326).

Be it enacted by the Senate and General Assembly of the State of New Jersey:

1. Section 5 of P.L.1970, c. 326 (C. 40:48C-5)⁴⁶ is amended to read as follows:

No tax shall be imposed under any ordinance adopted pursuant to this article with respect to alcoholic beverages delivered to a taxpayer on or after January 1, 1980 1982.

2. Section 8 of P.L.1970, c. 326 (C. 40:48C-8)⁴⁷ is amended to read as follows:

No tax shall be imposed under any ordinance adopted pursuant to this article with respect to parking services provided on or after January 1, 1980 1982.

3. Section 12 of P.L.1970, c. 326 (C. 40:48C-12)⁴⁸ is amended to read as follows:

No tax shall be imposed under any ordinance adopted pursuant to this article with respect to sales of motor fuels on or after January 1, 1980 1982.

4. Section 19 of P.L.1970, c. 326 (C. 40:48C-19)⁴⁹ is amended to read as follows:

No tax shall be imposed under any ordinance adopted pursuant to this article with respect to services performed prior to January 1, 1971, in a calendar quarter prior to that in which the ordinance is adopted on or after January 1, 1980 1982, but any such ordinance shall remain in effect with respect to the right of the municipality to receive reports and enforce and collect taxes due thereunder for any period prior to January 1, 1980 1982.

5. Section 26 of P.L.1970, c. 326 (C. 40:48C-26)⁵⁰ is amended to read as follows:

No tax shall be imposed under any ordinance adopted pursuant to this article with respect to rental for use or occupancy of commercial premises on or after January 1, 1980 1982.

46. N.J.S.A. 40:48C-5.

47. N.J.S.A. 40:48C-8.

48. N.J.S.A. 40:48C-12.

49. N.J.S.A. 40:48C-19.

50. N.J.S.A. 40:48C-26.

Additions in text indicated by underline; deletions by ~~strikeouts~~

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6. Section 32 of P.L.1970, c. 326 (C. 40:48C-32)⁵¹ is amended to read as follows:

No tax shall be imposed under any ordinance adopted pursuant to this article with respect to transactions taking place on or after January 1, 1980 1982.

7.

This act shall take effect immediately.
This act effective December 31, 1979.



KENNETH A. GIBSON
MAYOR
NEWARK, NEW JERSEY
07102

September 2, 1981

Hon. John P. Caufield
Senator
1086 South Orange Avenue
Newark, New Jersey 07106

Dear Senator Caufield:

A situation exists wherein a municipality must pay itself a permit fee plus a surcharge when it constructs a municipal building. The surcharge is then sent to the State Department of Community Affairs to support the Uniform Construction Code Revolving Fund. The fee is retained by the city.

We have no problem with the collection and remittance of these fees and surcharges for private construction permits, but it seems a bit ludicrous for us to be required to collect these fees and surcharges from ourselves, especially since the surcharges are sent to the state. While our self-generated fee surcharges are only a tiny drop in the Revolving Fund bucket, they represent a significant amount to us and cause the city numerous administrative costs. Similarly, the permit fees, which we keep after collecting them from ourselves, are actually costing the city more money to process. In other words, the city loses.

Perhaps it was an oversight that municipalities were not exempt from these provisions in 52:27D-119 et. seq. when it was enacted as Chapter 217 of P.L. 1975.

I respectfully request that you introduce legislation which would make the collection of these permit fees and surcharges a local option insofar as municipal construction is concerned. In other words, a city could collect the fees or waive them on its own construction.

Hon. John P. Caufield
September 2, 1981
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Please let me know if you have any questions concerning this.

Thank you for your continued cooperation.

Sincerely,

Kenneth A. Gibson

KAG:pa